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Report of the Trade and Development Board on its twentieth special session*

Geneva, 27 January 2003

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Chapter I

DECISION ADOPTED BY THE BOARD AT ITS TWENTIETH SPECIAL SESSION

Financing the participation of experts from developing countries and countries with economies in transition in UNCTAD expert meetings

Decision 474 (S-XX)

The Trade and Development Board,

Recalling the guidelines it adopted at its nineteenth special session on the Mid-term Review in May 2002, as well as the decisions on financing the participation of experts taken by the Working Party at its second resumed thirty-eighth session in May 2002, its thirty-ninth session in September 2002, and its resumed thirty-ninth session in November/December 2002, especially with regard to the need for a long-term solution for predictable financing of expert participation in expert meetings,

Noting that funding is to cover the participation of 10 experts at each of eight expert meetings per annum, with experts being selected on the basis of the principle of equitable geographical representation, beneficiary needs, in particular LDCs, and the expertise of the experts concerned,

1. *Agrees* that, on an experimental basis, participation of experts in UNCTAD expert meetings will be financed on the basis of extrabudgetary contributions;

2. *Further agrees* that there will be a reserve fund that will be used to finance participation at any expert meeting for which there are not sufficient extrabudgetary contributions;

3. *Decides* that:

   (a) The funds currently available to finance participation in expert meetings should constitute the reserve fund;

   (b) The process of obtaining extrabudgetary contributions for the expert meetings for 2003 (and future years) should begin immediately;

   (c) Funding for each expert meeting should be secured not later than three months before the meeting takes place;

   (d) If sufficient funding is not available for a meeting, use should be made of the reserve fund;

   (e) It will discuss the working of the scheme, including if necessary the issue of the replenishment of the reserve fund, in late September 2003 and regularly thereafter on the basis of an evaluation provided by the Secretary-General of UNCTAD, in the light of the criteria established by the Board at its nineteenth special session.

4. *Urges* donors to proceed with extrabudgetary contributions for financing the participation of experts at the earliest possible date;

5. *Requests* the secretariat to report regularly to the consultations of the President of the Board on the resources available for financing the participation of experts;

6. *Encourages* the UNCTAD secretariat to continue to take the initiative with regard to enhancing coordination in the scheduling of meetings among intergovernmental organizations in Geneva.

939th plenary meeting
27 January 2003

Chapter II

FINANCING THE PARTICIPATION OF EXPERTS FROM DEVELOPING COUNTRIES AND COUNTRIES WITH ECONOMIES IN TRANSITION IN UNCTAD'S EXPERT MEETINGS

(Agenda item 2)

1. For its consideration of this item, the Board had before it the following documentation:

> "Financing the participation of experts from developing countries and countries with economies in transition in UNCTAD expert meetings: draft decision: (TD/B(S-XX)/L.1);
>
> "Report of the Working Party on the Medium-term Plan and the Programme Budget on its resumed thirty-ninth session" (TD/B/EX(30)/3).

Introductory statement

2. The **President of the Board** said that the special session of the Board was taking place pursuant to the outcome of the resumed thirty-ninth session of the Working Party and pursuant to the decision of the Board at its nineteenth special session concerning the Mid-term Review (TD/B(S-XIX)/7).

3. The question of the financing of experts had first arisen at UNCTAD IX in 1996, when the Conference had decided to restructure the intergovernmental machinery, establishing the three commissions and providing for 10 expert meetings per year (TD/378, paragraph 114). The Conference had decided that special consideration should be given to the issue at the following regular session of the Board with a view to taking a decision on the question of improving the participation of developing country experts in UNCTAD meetings, including the question of financing their participation.

4. At its forty-third regular session, in October 1996, the Board had discussed the issue of financing of experts and had decided to establish a Trust Fund to enhance the participation of developing country experts in UNCTAD meetings. The Board had also requested the Secretary-General of UNCTAD to explore ways to reallocate the savings resulting from the improved overall cost-effectiveness achieved pursuant to UNCTAD IX.

5. Following the decision of the Board, the UNCTAD secretariat had sent out two notes (one in May 1997, the other in December 1997) seeking extrabudgetary contributions for the Trust Fund. Amounts of US$ 3,000 and US$ 1,000 had been contributed in 1998 in 2000 respectively.

6. In December 1996, the General Assembly had requested the UNCTAD secretariat to prepare a report exploring ways and means of utilizing for the biennium 1998-1999 the savings resulting from improved cost-effectiveness achieved at UNCTAD IX. In May 1998, the secretariat had submitted an initial proposal on the analysis of the savings, and on 12 October 1998, the General Assembly, in its resolution 53/3, had agreed to the use of the amount of

US$ 1,088,000 for the financing of experts attending expert meetings convened in accordance with paragraph 114 of the outcome of UNCTAD IX. Guidelines and modalities for the use of the funds had been established and approved by the Board in late October 1998.

7. Not all the funds from the special account had been used during the biennium 1998-1999. Accordingly, in December 1999, the General Assembly had agreed that, on an exceptional basis, the unspent balance be retained until all the activities and programmes outlined in the report of the Secretary-General of May 1998 had been completed.

8. The current remaining balance of the special account for the financing of experts was approximately US$ 67,000. In addition, extrabudgetary contributions had been made available, in the total amount of US$ 300,000. Of that amount, about US$ 165,000 remained in the Trust Fund.

9. With regard to the future evaluation of the proposed experimental scheme for the financing of experts, as stated in paragraph 3 of the draft decision, the Board would evaluate the scheme in late September 2003. This review would be based on information provided by the Secretary-General of UNCTAD. Thereafter, as from 2004, he would expect that the Board would review the working of the scheme every year at its regular session.

Action by the Board

10. At its 939th plenary meeting, on 27 January 2003, the Board adopted draft decision TD/B(S-XX)/L.1 (for the text of the decision, see chapter I above).

Statements

11. The representative of **Thailand**, speaking on behalf of the **Group of 77 and China**, said that the issue of financing of experts was a very important one, since expert meetings had helped to enrich UNCTAD's intergovernmental work and had contributed towards consensus-building. The participation of experts from the different regions of the world had had a significant positive effect on the quality of the discussions in the meetings.

12. The Mid-term Review had given member States the task of finding a long-term solution for predictable financing of the participation of experts. The decision just taken by the Board did not fulfil the requirements set out in the Mid-term Review, since it was not a specific agreement or even an assurance for a long-term source of funding for the participation of experts. It was not known how or when the reserve fund would be replenished once extrabudgetary resources were unavailable. Agreeing to the decision was a "leap of faith" on the part of his Group, but the Group wanted to give the process the opportunity to succeed and transform it into an arrangement that would become a reliable source of funding. It was the understanding of his Group that the reserve fund would be replenished when funds were made available.

13. If the process did not succeed, alternative ways would have to be sought to secure funds. The use of the regular budget not only represented a reliable and long-

term solution but would allow a more balanced and equitable allocation of resources that better reflected the partnership of the whole community of nations.

14. Lastly, he expressed appreciation to donor countries that had already contributed funds and looked forward to continued partnership in the process launched by the Board's decision.

15. The representative of **Bulgaria**, speaking on behalf of **Group D**, expressed appreciation to the other regional groups for making it possible to reach agreement on the issue of financing of experts.

16. The representative of **Morocco**, speaking on behalf of the **African Group**, said that his Group attached great importance to UNCTAD's expert meetings. The participation of African experts had made an important contribution to the meetings, and without financing, such participation would not be possible. It was therefore essential to find a long-term solution to ensure regular provision of resources for the participation of experts from developing countries and LDCs. The solution embodied in the Board's decision was generally acceptable, and his Group was prepared to try the system out. During the consultations, donors had given positive indications concerning contributions, and his Group thanked donors in advance for their contributions. At the same time, it was crucial to find a satisfactory long-term solution to the issue of financing experts, and it would be important to monitor the status of contributions and evaluate the system regularly. His Group attached particular importance to the selection of experts for financing on the basis of equitable geographical distribution, the needs of beneficiaries, especially LDCs, and the expertise of the experts concerned. It was essential for developing countries from all regions to participate in expert meetings in order to contribute to UNCTAD's work, particularly in the context of the run-up to UNCTAD XI, where issues of critical importance to LDCs would be discussed and negotiated.

17. The representative of **Venezuela**, speaking on behalf of the **Latin American and Caribbean Group**, said that, with the adoption of the Board's decision, the problem of financing of experts had been resolved in the short term. She thanked the donors that had made the creation of the reserve fund possible; she had complete confidence in their expressed commitment to make sufficient voluntary contributions to the fund. However, her Group was not sure whether contributions would involve conditions concerning the countries of origin of experts or whether the secretariat would be able to apply the principle of equitable geographical distribution. UNCTAD expert meetings were very valuable capacity-building tools, and she appealed to the secretariat and to donors to honour the mandate established at the Mid-term Review in terms of selecting experts from all regions. Her region was experiencing difficulties and therefore hoped to be able to count on the support of the international community to finance the participation of its experts in UNCTAD expert meetings. If the participation of experts was limited to certain regions, expert meetings would fail to present a full picture. In that connection, she requested the secretariat, when selecting panellists for expert meetings, to give full consideration to experts from her region. Finally, she was confident that every effort would be made to sustain the reserve fund and thus avoid the need to take up again the possibility of financing the participation of experts from the regular budget, as initially recommended by the Group of 77 and China.

18. The representative of **India**, speaking on behalf of the **Asian Group**, welcomed the Board's decision. At the Mid-term Review, member States had agreed

to find a long-term solution for predictable financing of participation of experts in UNCTAD meetings. Predictability meant the availability of resources on a regular basis. Such a solution had not been found, but it was hoped that donors would provide sufficient extrabudgetary resources to honour the compromise. Every effort must still be made to explore the use of regular budget resources in connection with expert meetings, which facilitated consensus building on emerging issues. She thanked donors for contributing to a solution.

19. The representative of **Benin**, speaking on behalf of the **least developed countries**, said that the question of financing the participation of experts in UNCTAD expert meetings was of capital importance for the least developed countries. Exchanges of experience enhanced understanding of development issues, so it was important to enable the LDCs to participate and ensure balanced outcomes. The LDCs welcomed the Board's decision, and hoped that adequate contributions would be forthcoming. They counted on the cooperation of their development partners for the balanced implementation of the decision, the evaluation of the system of funding, and the introduction of any adjustments that might be required.

20. The representative of **China** said that his delegation had no objection to the Board's decision. However, the adoption of the decision did not mean that the mandate from the Mid-term Review had been fulfilled. There was no substantial difference between the system launched by the decision and past practice, and the need for a long-term and predictable solution had not been met. It was therefore hoped that the search for a fundamental solution would continue. It must also be said that the financing scheme discussed was limited in terms of the number of experts covered, and in that connection his country regretted that the initial proposal of the Group of 77 and China based on the use of the regular budget had not been accepted. Finally, he welcomed the positive gesture made by donors, though noting that it was not incompatible with the developing countries' goal of using the regular budget to finance expert participation.

21. The **Secretary-General of UNCTAD** said it was a good omen that a successful conclusion had been reached on a difficult issue. The way was now clear for constructive engagement in the lead-up to UNCTAD XI. Expert meetings represented a good source of ideas, some of which had been channelled into negotiations in other fora. Efforts should of course continue to be made to improve expert meetings, for example in terms of choice of subjects, the quality of preparatory work, broader participation and better dissemination of results. The question of ensuring the participation of countries with financial difficulties was one that all international organizations, including the WTO, were now having to face, and it was a good sign when appropriate measures were taken. In that connection, UNCTAD's expert meetings helped prepare experts from developing countries for international negotiations and therefore contributed to capacity-building in the broad sense. He appealed to countries able to do so to make financial contributions for the participation of experts in UNCTAD expert meetings.

22. Looking ahead to UNCTAD XI, he had set up an internal task force for substantive preparations and would consult member States in February with a view to presenting a draft provisional agenda to the Board in March. The secretariat would then draft a substantive document as a basis for the preparatory process. Ideas would also be put forward on the organization and structure of the Conference. He was sometimes uncomfortable with the idea that everything revolved around the

Conference and that the very name of UNCTAD implied that this should be so. UNCTAD was an organization whose importance stemmed from the work it performed on a daily basis, and not from meeting every four years. Nevertheless, holding regular conferences was a useful aspect of UNCTAD's work, as they made it possible to take stock and to generate new thinking.

23. The world in which UNCTAD X had taken place no longer existed, as a result of major changes that could not possibly have been imagined at the time. In planning for UNCTAD XI, it would be crucial to identify, in those areas falling within the organization's mandate, the implications of those changes. Remaining attentive to the new realities prevailing on each continent was important as well. In East and South-East Asia, there was often an explicit intention to review strategies; in Latin America, regional and subregional agreements were being negotiated in the context of significant political changes, and there was growing awareness of the need to attain a new level of export competitiveness; in Africa, NEPAD had provided new defining principles for cooperation. Taking stock of those changes was a good starting point for increasing UNCTAD's usefulness as a tool for development.

Chapter III

INSTITUTIONAL, ORGANIZATIONAL, ADMINISTRATIVE AND RELATED MATTERS

(a) Opening of the session

24. The session was opened by the President of the Board.

(b) Adoption of the agenda

25. The Board adopted the provisional agenda as contained in document TD/B(S-XX)/1. (For the agenda, see annex I below.)

(c) Bureau

26. The Bureau of the Board was as elected at the forty-ninth regular session, namely:

President:	Mr. Dimiter Tzantchev	(Bulgaria)
Vice-Presidents:	Mr. Iouri Afanassiev	(Russian Federation)
	Mr. Boniface Chidyausiku	(Zimbabwe)
	Mr. Luiz Felipe de Seixas Corrêa	(Brazil)
	Mr. Nathan Irumba	(Uganda)
	Mr. Toshiyuki Iwado	(Japan)
	Mr. Douglas M. Griffiths	(United States of America)
	Mr. François Leger	(France)
	Mr. Samuel T. Ramel	(Philippines)
	Mr. Lester Mejía Solís	(Nicaragua)
	Mr. Eberhard Von Schubert	(Germany)
Rapporteur:	Mr. Mehdi Fakheri	(Islamic Republic of Iran)

(d) Administrative and financial implications of the actions of the Board

27. The Board was informed that there were no financial implications arising from the decision taken at the special session.

(e) Report of the Board on its twentieth special session

28. The Board authorized the Rapporteur to finalize the report on its twentieth special session under the authority of the President.

Annex I

AGENDA FOR THE TWENTIETH SPECIAL SESSION

1. Adoption of the agenda
2. Financing the participation of experts from developing countries and countries with economies in transition in UNCTAD's expert meetings
3. Institutional, organizational, administrative and related matters: Administrative and financial implications of the actions of the Board
4. Other business
5. Adoption of the report of the Board.

Annex II

ATTENDANCE[1]

1. The following States members of UNCTAD, members of the Board, were represented at the session:

Albania
Algeria
Angola
Argentina
Bahrain
Bangladesh
Barbados
Belarus
Benin
Bolivia
Botswana
Bulgaria
China
Colombia
Costa Rica
Cuba
Denmark
Ecuador
Egypt
Ethiopia
Finland
France
Germany
Greece
Guinea
India
Indonesia
Iraq
Japan
Jordan
Libyan Arab Jamahiriya
Madagascar
Malaysia
Mauritania
Mexico
Mozambique
Netherlands
Norway
Oman
Paraguay
Philippines
Poland
Republic of Moldova
Russian Federation
Senegal
Singapore
Slovakia
Spain
Switzerland
Syrian Arab Republic
Thailand
Trinidad and Tobago
Tunisia
Uganda
Ukraine
United Kingdom of Great Britain and Northern Ireland
United States of America
Venezuela
Yugoslavia

[1] For the list of participants, see TD/B/(S-XX)/INF.1.

2. The following other States members of UNCTAD, not members of the Board, were represented as observers at the session:

Cape Verde

Holy See

3. The following intergovernmental organizations were represented at the session.

African, Caribbean and Pacific Group of States

Organisation Internationale de la Francophonie

Organization of African Unity

4. The following non-governmental organization was represented at the session:

General Category

Third World Network